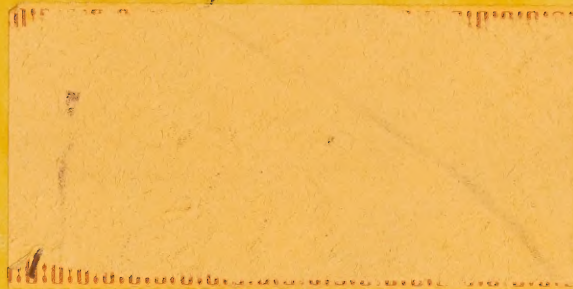


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## APPENDIX "PUBL-40"

HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADASTANDING COMMITTEE ON  
PUBLIC ACCOUNTSCOMITÉ PERMANENT  
DES COMPTES PUBLICSPROCEDURES AND PRACTICES OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTSIntroduction

1. As the Public Accounts Committee entered the second year of the 33rd Parliament a vigorous program of hearings and reports had been completed. Large and complex departments, notably Public Works and National Defence, had been brought before the Committee and closely questioned on the probity and effectiveness of their management of public funds. It was time for the Committee to pause and, in the spirit of the reform of the rules of the House led by the McGrath Committee, review and evaluate its methods of operation. In order to aid this process, the Committee travelled to Washington, U.S.A. in September, 1985 and London, United Kingdom in February, 1986, to observe and discuss the practices and procedures of its American and British counterparts.

Washington Visit

2. The program of the Washington visit centred on the activities of the Government Operations Committee of the House of Representatives. This Committee is charged with overview responsibilities for departments and agencies which carry out the programs of the Executive Branch. The Intergovernmental Relations and Human Resources Subcommittee of the Government Operations Committee was observed in action and members of the Public Accounts Committee met with the Chairman of the main Committee. Another important aspect of the Washington visit was the opportunity to meet with the U.S. Comptroller General and gain an appreciation of the workings of his office, the General Accounting Office, and its relationship with Congress.

London Visit

3. The visit to the United Kingdom focused on the procedures and practices of the British Public Accounts Committee. Members of the Canadian Committee met on several occasions with their British counterparts. With its long-standing tradition and finely-developed working relationships with the civil service, the U.K. Committee was a source of important insights. Of particular interest were the workings of the National Audit Office, the organization supporting the British Comptroller and Auditor General, and the manner in which it interacted with the Public Accounts Committee. Canadian members were fully briefed on the operations of the NAO and its roles and responsibilities in the British system.





### Improvements in Procedures and Practices

4. Upon review and discussion of the findings of these two visits, the Committee has decided upon a number of specific measures to revise and improve its procedures and practices. Some of these matters are contained in the 12th Report of the Committee. These were considerations requiring the attention and approval of the House, including recommendations on: amendments to the Auditor General Act to permit completion-date reporting; an annual debate in the House on the Committee's reports; and the referral to the Committee of all matters relating to the Office of the Auditor General, including the estimates.

5. Other matters fall within the Committee's own ambit and are outlined in the balance of this statement. It is the intention of the Public Accounts Committee to make these changes in its proceedings known to all participants in the Committee's affairs. The agreed-upon reforms are therefore set out at length in what follows, together with a brief explanation of why each was adopted.

### Sub-Committees

6. One important feature of the American committee system is the reliance on subcommittees as the primary vehicle for legislative and oversight activities. Small groups of legislators become particularly knowledgeable about a given subject area and this enhances their effectiveness in the conduct of inquiries. Functioning through subcommittees, a committee is able to deal with more than one subject at a time. In addition, the subcommittee is a flexible instrument, subject to varying degrees of control by the main committee.

7. These characteristics of the use of subcommittees in the U.S. Congress - flexibility, enhanced scope of inquiry and additional expertise of members - suggest that the expanded use of subcommittees may be appropriate in the context of the Canadian Public Accounts Committee. In the past, the Public Accounts Committee has made limited use of subcommittees; these have been specialized inquiries of short duration. Based on its review of U.S. experience, the Committee has decided to further develop subcommittees as a forum for in-depth planning of its future program. In conjunction with the tabling of the 1986 Annual Report of the Auditor General, the Committee foresees the establishment of two or more subcommittees to examine major subject areas. Members of these subcommittees will acquire more thorough knowledge of the subject matter of priority areas in the Auditor General's report in order to act as resource - persons for the hearings carried on by the main committee. It is anticipated that these subcommittees will be continuing assignments, focusing on the planning for and conduct of public meetings but also remaining in existence after the report has been completed to oversee follow-up action in response to the Committee's recommendations.





### Preparation for Meetings

8. The Public Accounts Committee has long recognized the importance of sound preparation for public meetings. The Committee wishes to maintain and develop its procedures in this regard. Accordingly, the Committee will proceed as follows. In the weeks leading up to the public meetings, the staff will compile documents and draft briefing notes based upon analysis of the subject matter and discussions with prospective witnesses. This material will then be assembled in the form of a briefing book, including the opening statements of the principal witnesses. Briefing books will normally be distributed to members on the Thursday of the week before the first public meeting so that members will have an opportunity to review this material over the weekend.


9. A briefing meeting will be held the day before the first meeting. In presenting the briefing to members staff of the Committee will be assisted by the staff of the Office of the Auditor General, in the case where subject is drawn from the Auditor General's report. Permanent Committee staff will be supplemented by additional expert staff, where this is required. In conjunction with the subcommittee procedure mentioned above, the Committee, in the course of the briefing meeting, will designate individual members to play a leading role in the questioning of witnesses.

### Planning Future Business

10. Among the many noteworthy practices of the British Public Accounts Committee is the well-developed system of planning future business with the National Audit Office. A detailed planning document is submitted to the U.K. Committee and the program is set out one year in advance based on the schedule of reports being produced and, on occasion, requests by the Committee. In reviewing these planning procedures of its U.K. counterpart, the Canadian committee has decided to further develop its own procedures in this area. In future, the Committee will meet with the Auditor General at six month intervals and will endeavor to plan its program on this basis. One of these semi-annual planning sessions will co-incide with the tabling of the Auditor General's annual report. With the assistance of the Auditor General and his staff, the Committee will rank and prioritize the subjects in his annual report and lay out a program of future business. The Committee will also consider items from the Public Accounts of Canada and, from time to time, request the Auditor General to undertake special studies or inquiries. Should the Auditor General's Act be amended to allow him to table reports on a completion-date basis, the Committee expects that the semi-annual planning sessions would serve to set the agenda for the tabling of these reports.

### Witnesses

11. One aspect of the U.K. Committee's proceedings noted by the Committee was the degree of preparation and co-ordination that was evident in the quality of the responses from civil servants. It was clear that officials were well-briefed. Moreover, responses from each department were channelled through one or two designated senior officials. The British Committee therefore received evidence from a small number of well-briefed, high-ranking officials. This approach commended itself to the Canadian Committee. Too



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often, in the Canadian experience, testimony from officials has not been well co-ordinated and it has not been clear who was accountable to whom for what. In future, the Committee will impress upon government departments, agencies and Crown corporations appearing before it the importance of responsible representation and an improvement in the quality of witnesses' preparation. The staff of the Committee will convey these expectations to all prospective witnesses.

12. Under the doctrine of ministerial responsibility a minister is answerable to Parliament for policy while public servants are responsible for the implementation and administration of programs. It is not the intention of the Public Accounts Committee to determine the rights and wrongs of policy but rather to ensure that programs are implemented with due regard for economy, efficiency and effectiveness. The Committee will hold officials accountable for their administrative responsibilities and for the accuracy and completeness of the advice that they give to ministers.

13. The Committee observed that its British counterpart tended to receive concise replies from witnesses. It is a matter of concern to the Committee that witnesses sometimes respond at greater length than is called for, hoping to "talk out" a point rather than deal squarely with it. The Committee will endeavor to more closely control such behaviour in the future.

### Impact

14. Parliamentary scrutiny of the economy, efficiency and effectiveness of public spending is recognized as an important function in the U.S. Congress and the British House of Commons. The Government Operations Committee is a sought-after assignment among the many committees of the House of Representatives. Similarly, the U.K. Public Accounts Committee has an authoritative voice in the overview of government expenditures, based on a tradition of respect for the Committee and its views. In light of British and American practice, the Canadian Committee will endeavor to create a greater awareness of its activities among other parliamentarians and in the general public.

15. Among the measures which the Committee proposes to adopt are press conferences to accompany the tabling of major reports and enhanced communication with other committees and individual Members of Parliament to "get the message across". Although the Canadian political system differs from the American in that fewer powers reside in committees, the Public Accounts Committee sees opportunities to communicate with the members of other committees, as is done in the U.S., to ensure that the Public Accounts Committee's concerns about departments and agencies are brought to their attention. In the same way, the Chairman, Vice-Chairman and Members of the Committee will consult with their colleagues in the House to ensure that the Committee's views are communicated effectively.

16. In view of the expanded mandate of other Standing Committees and the likelihood that certain of the Auditor General's findings will be of interest to these committees, it must be stressed that all reports of the Auditor General to the House of Commons are automatically and permanently referred to the Public Accounts Committee. For his part, the Auditor General has agreed to inform the Committee on a regular basis of any significant communication and/ or involvement with other committees of the House.





### Liaison with Departments

17. One aspect of the relationship between the British Public Accounts Committee and the civil service is the role of a senior official in the Treasury department who acts as a co-ordinator of the government response to the Committee. This official liaises with departmental officials prior to meetings and develops the official government reply to Committee reports. He is also present at all public meetings. While not seeking to duplicate the British approach, the Canadian Committee considers the continuity and co-ordination provided by such a central agency official to be a valuable resource that should be further developed in the Canadian context. Accordingly, the Committee will request the Office of the Comptroller General to assign a senior officer, at the Deputy Comptroller General level, to attend all Committee meetings and co-ordinate the involvement of government departments and agencies in the Committee's hearing process.









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